NUEXCO

EXECUTIVE SUMMARY
REPORT 210
(All data as of January 31, 1986)

Exchangé Value $17.00, unchanged

The **Exchange Value** is **$17.00** per pound U_3O_8, unchanged since last month.

UF_6 Value $47.00, unchanged

The **UF_6 Value** is **$47.00** per kilogram U as UF_6, unchanged since last month.

Transactions

Five recent natural uranium sales and one of low-enriched uranium are reported, involving approximately 900 thousand pounds equivalent U_3O_8 in the near term and another 8 million pounds equivalent U_3O_8 in the longer term. Four of the sales involved spot or near-term delivery and two met the conditions for inclusion in the Transaction Value. One transaction involved natural UF_6.

Supply-Demand Ratio declined to 1.4:1

Active spot and near-term **uranium supply** amounts to **3.9 million** pounds U_3O_8 equivalent, up 345 thousand pounds since last month. Active spot and near-term **uranium demand** totals **2.8 million** pounds, up 485 thousand pounds. The spot and near-term **supply-demand ratio** declined to **1.4:1.**

Transaction Value $16.55, unchanged

The **Transaction Value** is **$16.55** per pound U_3O_8, unchanged since last month. The calculation includes 13 transactions involving a total of 2.2 million pounds U_3O_8 and equivalent UF_6, and covers a period of 4 months.

Loan Rate unchanged at 5%

The **Loan Rate** is **5 percent** per annum, unchanged.

Conversion Value unchanged at $1.60

The **Conversion Value** is **$1.60** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 575 thousand pounds U as UF_6. No active demand is reported. Two secondary market conversion transactions are reported, involving approximately 750 thousand pounds U as UF_6.

SWU Value for delivery within one year: $80

The **SWU Value** at .3 tails and for delivery within one year is **$80** per SWU, unchanged since last month. Two secondary market SWU transactions are reported, involving 200 thousand SWUs of Eurodif and DOE origin.

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Analysis and Commentary

The recent construction progress made on nuclear power units outside of the USA indicates that non-US nuclear generating capacity is likely to grow steadily in the next several years, continuing a trend that has existed over the past three years.

Europe

Superphénix, the 1,200-MWe liquid-sodium Fast Breeder Reactor (FBR) owned by a European consortium, was recently connected to the French electricity grid, marking a milestone in European nuclear development. In general, however, the cost of the FBR will prevent most nations from undertaking such a project at least until electricity demand and fuel prices are considerably higher than today.

France

Some of the uranium holdings of the large energy and mining group Total have been reorganized. Total has interests in France, Australia, the USA, and in Namibia's Rossing mine.

Japan

The Japanese utilities recently announced 1985 operating performance results for their 32 commercial nuclear units, which generated 24 percent of the nation's electricity in 1985.

South Africa

Fourth-quarter uranium production from Chamber of Mines producers amounted to 3.1 million pounds U_3O_8. Total 1985 figures indicate a 15-percent decline in production compared to 1984.

Raw Materials

1985 US uranium production fell almost 30 percent from the 1984 total, as the decline in activity in all phases of the uranium industry continued through its fifth consecutive year.

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NUEXCO REPORT 210 FIGURES OF THE MONTH (January 31, 1986)	This Month (Report 210)	Last Month (Report 209)	12 Months Ago (Report 198)
Exchange Value[1]	17.00	17.00	15.00
Transaction Value[1]	16.55	16.55	16.20
UF_6 Value[2]	47.00	47.00	—
Loan Rate[3]	5%	5%	6%
Conversion Value[4]	1.60	1.60	1.00
Near-Term Uranium Supply[5]	3.9	3.6	4.2
Near-Term Uranium Demand[6]	2.8	2.3	1.3
Near-Term Supply-Demand Ratio	1.4	1.5	3.3
Recent Uranium Sales:			
Number of Transactions[7]	6	7	1
Quantity of Material[8]	8.7	0.9	0.2
Nuexco SWU Value:[9]			
at 0.3 tails assay and delivery within one year	80	—	—
USDOE SWU Prices:			
USEC	125.00[10]	125.00[10]	135.00
AFC	153.00[11]	153.00[11]	153.00[11]
Requirements	157.00[11]	157.00[11]	157.00[11]
Market Value of Enriched UF_6[12,13]:			
2.5 w/o U_{235}	460	460	506
3.0 w/o U_{235}	589	589	656
3.5 w/o U_{235}	720	720	808
4.0 w/o U_{235}	854	854	964

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram U as UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8, equivalent.
[9]US $ per SWU.
[10]Effective 10/1/85.
[11]Effective 10/1/84.
[12]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 4/30/85 to 11/30/85, calculations used in the Nuexco SWU Value for DOE origin and delivery by the end of FY86. As of 12/31/85, calculations use the SWU Value for delivery within one year.
[13]US $ per KgU as UF_6, rounded to the nearest $.

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